

DEPARTMENT OF TRANSPORTATION
DIVISION OF TRANSPORTATION PROGRAMMING
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November 1, 2004

METROPOLITAN PLANNING ORGANIZATIONS

Dear Executive Directors

Subject: Federal Approval of the 2004 California FSTIP

The federal approval letter for the 2004 Federal Statewide Transportation Improvement Program (FSTIP) sent to the California Department of Transportation (Department) on October 4, 2004, set certain conditions and limitations that must be met by the Department before April 1, 2005. As a result of these conditions, FSTIP amendments (either formal or administrative) will not be approved for projects that are listed in the FSTIP with funding proposed from the State Highway Operation and Protection Program (SHOPP), the State Transportation Improvement Program (STIP) or the Highway Bridge Replacement and Rehabilitation Program (HBRR). In addition, certain Metropolitan Planning Organizations' (MPO) 5311 programs were not accepted as part of the FSTIP approval.

The Department has subsequently demonstrated to the Federal Highway Administration (FHWA) that the SHOPP program has sufficient available or committed revenues to constrain the SHOPP programming contained in the FSTIP. This Department's demonstration provided the additional financial constraint documentation requested by the federal agencies for the SHOPP program and resulted in FHWA lifting the amendment restriction from this program.

The Department has established the following action plan to address the remaining conditions set forth by the federal approval letter:

1. The Department will provide the FHWA with the requested financial information related to the STIP, including a comparison of the MPOs FTIPs programmed STIP with the STIP programming adopted by the California Transportation Commission (CTC). The Department, and FHWA have agreed that those MPOs that have adopted an FTIP with the STIP component constrained to the CTC adopted STIP will have the amendment restrictions lifted from their regions. Those MPOs who have programmed over the CTC adopted STIP targets must update their programming by processing formal Federal Transportation Improvement Program (FTIP) amendments to align their programming with CTC adopted STIP, before the amendment restrictions can be lifted from their regions. Updating STIP programming may require a new air quality conformity determination.

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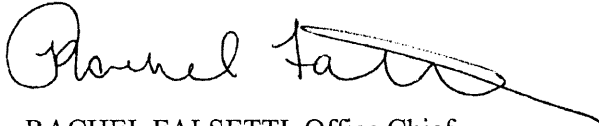
October 27, 2004

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2. The Department will transmit revised HBRR programming information to the MPOs by November 22, 2004. MPOs must revise the HBRR programming in their FTIPs by processing formal FTIP amendments no later than January 2005. The Department will then provide the updated financial information related to the HBRR to FHWA to have the amendment restrictions lifted from the State for the HBRR program.
3. The federal letter identified MPOs that have the approval of the Federal Transit Administration (FTA) 5311 Non-urbanized Formula Program withheld from their region. The Department, working with the Division of Mass Transit, has identified additional available revenues for some of these MPOs allowing them to financially constrain their programming for the FFY 2004/05. The remaining MPOs (AMBAG, SLOCOG, STANCOG and SCAG) do not have sufficient FTA 5311 revenues available to constrain the projects funding proposed in their FTIPs and therefore must process formal FTIP amendments to adjust their programming in accordance with their FFY04/05 apportionments. The Department will submit the backup information to the FTA for those MPOs with additional available revenues to obtain FSTIP approval of their 5311 programs.

The Department is committed to working together with the MPOs and the FHWA and the FTA to take the necessary actions to reach a timely resolution to the remaining conditions and limitations. My staff and I are ready to offer our assistance and would ask you to feel free to contact me if you have any questions at (916) 654-2983.

Sincerely,

A handwritten signature in black ink, appearing to read "Rachel Falsetti", with a long horizontal flourish extending to the right.

RACHEL FALSETTI, Office Chief
Office of Federal Transportation Management Program